

EXHIBIT 37:

REDACTED

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

Case No.: 4:20-CV-00957-SDJ

- - - - -X

STATE OF TEXAS, et al., :

Plaintiffs :

VS :

GOOGLE, LLC, :

Defendant :

- - - - -X

HIGHLY CONFIDENTIAL
PURSUANT TO PROTECTIVE ORDER
May 2, 2024

VOLUME II

Continuation of the videotaped deposition of
NITISH KORULA, PhD, taken at the offices of
Freshfields Bruckhaus Deringer LLP, Three World
Trade Center, New York, New York, before Clifford
J. Edwards, Certified Shorthand Reporter and
Notary Public, in and for the State of New York on
May 2nd, 2024, at 9:08 a.m. ET.

Job No. MDLG6680249

1 A I'm sorry, I'm trying to understand if
2 this is a -- a different question from the one you
3 asked previously.

4 Are you -- are you trying to get at a
5 different point?

6 Q I'm -- I'm trying to understand more
7 how it operates.

8 How -- how does double -- does
9 direct -- does dynamic allocation work?

10 And perhaps a visual aid would -- would
11 help.

12 MR. HILLEGAS: So, Mr. Moore, if
13 you can bring up Document Number
14 GOOG-NE-03597611 labeled as State's
15 Exhibit 290.

16 (Whereupon, State's Exhibit 290,
17 PowerPoint Presentation Titled

18 ████████████████████████████████████████████████████████████████████████████████

19 ████████████████████████████████████████████████████████████████████████████████

20 Bates-Labeled GOOG-NE-03597611
21 through -652, was marked for
22 identification.)

23 THE WITNESS: Thank you.

24 MR. MAHR: Thanks.

25 MR. HILLEGAS: This table is a

1 little wide.

2 MR. MAHR: Yeah.

3 BY MR. HILLEGAS:

4 Q And just while we are on the metadata
5 page, sir, it says that it -- this was created in
6 December 16th, 2011; right?

7 A That seems to be correct.

8 Q And the title of the metadata page, it

9 [REDACTED]

10 Right?

11 A That's the file name listed.

12 Q And if you go to the first page, that
13 corresponds to -- the title still says,

14 [REDACTED]

15 Right?

16 A That's right. Without the word

17 [REDACTED]

18 Q And the date is December 15th, which
19 is the day before the -- the master creation
20 date; right?

21 A That seems to be correct.

22 Q If we can jump to page -- the Bates
23 number with -7616?

24 MR. MAHR: Dr. Korula, you can
25 take a minute to familiarize yourself

1 with the document if you'd like.

2 BY MR. HILLEGAS:

3 Q Yeah, I'll -- I'll be asking you just
4 about a very narrow range of the document, mostly
5 to -- to guide our conversation.

6 So I -- I think the relevant pages are
7 -616 through -623.

8 A Okay.

9 Okay.

10 Q So page -616 starts off with "Line
11 Item Dynamic Allocation: How It Works."

12 Right?

13 A That's correct.

14 Q And on -617 is where the description
15 of how dynamic allocation works; correct?

16 A Well, the title of the slide is
17 "Dynamic Allocation: How It Works," but the

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 But then DFP, now Google Ad Manager,
23 allowed publishers to -- to book ads or line items
24 at many different priority types, typically
25 between one and 16.

1 A lower number -- a numerically lower
2 number corresponded to a higher priority, so
3 priority one is a higher priority than priority
4 16.

5 And typically, at each priority level,
6 line items of certain types were available.

7 So at priorities one through ten,
8 traditionally direct campaigns could be booked,
9 and priorities 12 through 16, traditionally
10 non-guaranteed line items could be booked,
11 including remnant line items, price priority line
12 items, house line items, AdX, etc.

13 Q Was the publisher the entity picking
14 the priority levels?

15 A Yes. When a publisher books a line
16 item in DFP or they create one in DFP, they can
17 choose the line item type and the corresponding
18 priority.

19 Q And so the ad network comes in at
20 priority 12, did you say?

21 A It depends on the publisher's
22 configuration. Traditionally, and at that time,
23 ad networks, AdX, typically came in around
24 priority 12.

25 It's not required that be the case now

1 for all publishers, but this is a typical example.

2 Q And at the top it says, "Priorities in
3 XFP."

4 Just what -- what is XS -- XFP?

5 A XFP was an internal name for the
6 product that was called DFP and subsequently
7 Google Ad Manager.

8 Q Okay. So if we -- if we go to the --
9 the next page, sir?

10 A Yes.

11 Q Does this help describe how dynamic
12 allocation works?

13 A It starts to, I think. The next
14 several pages collectively describe approximately
15 how it worked at that time. The exact details of
16 operation may have evolved over time.

17 Q Can you describe for me how dynamic
18 allocation worked at the time?

19 A Well, typically speaking, a publisher
20 would create, for example, a remnant line item,
21 say, a price priority line item, a priority 12,
22 and perhaps also -- maybe more than one such
23 remnant line item, and perhaps also an AdX line
24 item at the same priority, 12.

25 The remnant line item at the time

1 typically had an associated CPM or price and as in
2 the example here, perhaps the price associated
3 with that remnant line item was \$4, right, using
4 the example on page with -- ending with Bates
5 number -19.

6 And so among the remnant line items at
7 priority 12, perhaps the -- the one that pays the
8 publisher the most is \$4, and so that's selected
9 tentatively.

10 And then we also compare with an AdX
11 line item that the publisher created at that
12 priority.

13 And we would then say, Okay. We have
14 \$4 from this ad. How much do we get from AdX?

15 And if, as in this example, AdX had a
16 couple of buyers at \$7.50 and \$6.50, we would say,
17 Okay, there's a winner in that AdX auction willing
18 to pay \$7.50. The second highest price at that
19 auction is \$6.50.

20 So the auction would close at that
21 price and the publisher would get paid \$6.50
22 because they had a buyer willing to pay them more
23 than the \$4 that they -- that they had from the
24 remnant line item.

25 If, on the other hand, say, the highest

1 bid from AdX had been \$3, then we would have said,
2 Okay, no -- well, the DFP remnant line item is
3 willing to pay more and so that -- that means the
4 impression, the AdX, that doesn't serve in the
5 remnant line item serves.

6 Q [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]

15 So line items also come with targeting.
16 I'm not sure what exactly the authors of this
17 presentation were trying to describe, but when a
18 publisher creates a line item in DFP, they might
19 say, This line item is eligible to serve on this
20 section of my website or to users in this
21 geographic location.

22 And so out of all of the book line
23 items at priority 12, first, DFP would look at the
24 eligible one that matched the targeting that the
25 publisher had created.

C E R T I F I C A T E

I hereby certify that I am a Notary Public,
in and for the State of New York, duly
commissioned and qualified to administer oaths.

I further certify that the deponent named
in the foregoing deposition was by me duly sworn,
and thereupon testified as appears in the
foregoing deposition; that said deposition was
taken by me stenographically in the presence of
counsel and reduced to typewriting under my
direction, and the foregoing is a true and
accurate transcript of the testimony.

I further certify that I am neither of
counsel nor attorney to any of the parties to said
suit, nor am I an employee of any party to said
suit, nor of any counsel in said suit, nor am I
interested in the outcome of said cause.

Witness my hand and seal as Notary Public
this 3rd day of May, 2024.



Clifford Edwards

New York Notary ID Number: 01ED6430906

Notary commission expires: 3/28/2026

HIGHLY CONFIDENTIAL
ERRATA SHEET FOR THE TRANSCRIPT OF:

Case Name: *The State of Texas, et al. v. Google LLC*, No. 4:20-cv-00957-SDJ (E.D. Tex.)

Deposition Date: May 2, 2024

Deponent: Nitish Korula

CORRECTIONS

Page	Line	Change	Reason
364	5	"sort of ad sort" should be "sort of ad shown"	Transcription Error
371	4	"serve in the" should be "serve, and the"	Transcription Error
371	22	"book" should be "booked"	Transcription Error
373	23	"ad manager" should be "Ad Manager"	Transcription Error
374	2-3	"ad manager" should be "Ad Manager"	Transcription Error
374	5	"ad manager" should be "Ad Manager"	Transcription Error
377	5	"eventually just" should be "eventually became just"	Clarification
377	11	"concepts" should be "concept"	Transcription Error
382	8-9	"because what priorities being sent to AdX" should be "because what priority's being sent to AdX"	Transcription Error
383	2	"solution, that line items" should be "solution with line items"	Transcription Error
387	7-9	"says, For this particular type of inventory, I want to sell at a minimum of \$5" should be "says, 'For this particular type of inventory, I want to sell at a minimum of \$5'"	Transcription Error
388	24-25	"campaigns, they set a zero reserved price but then they compete based on price" should be "campaigns, 'they set a zero reserve price but then they compete based on price'"	Transcription Error
389	12	"remnant inventory or remnant inventory" should be "remnant inventory or not remnant inventory"	Transcription Error
396	18	"ad manager" should be "Ad Manager"	Transcription Error
398	16	"user group" should be "yield group"	Transcription Error
400	24	"ad manager" should be "Ad Manager"	Transcription Error
401	11	"2000—" should be "20—"	Clarification
403	16	"needs" should be "means"	Clarification
407	2	"ad manager" should be "Ad Manager"	Transcription Error
408	8	"ads" should be "Ads"	Transcription Error
408	9	"ads" should be "Ads"	Transcription Error

Page	Line	Change	Reason
408	10	"digital" should be "I don't know"	Transcription Error
416	3	"variable" should be "variant"	Transcription Error
419	25	"offer" should be "for a"	Clarification
422	25	"\$13 million" should be "\$30 million"	Transcription Error
427	24	"remnant line items in AdX" should be "remnant line items and AdX"	Transcription Error
437	22	"Yes, correctly" should be "Yes, that's correct you read it correctly"	Transcription Error
439	8	"ads" should be "Ads"	Transcription Error
439	13	"ads" should be "Ads"	Transcription Error
448	24	"imminently" should be "eminently"	Transcription Error
449	7	"is" should be "as"	Transcription Error
453	8	"this is a bug" should be "this as a bug"	Transcription Error
454	3-4	"the buyer is having" should be "the buyer having"	Transcription Error
459	22	"dual used" should be "solely used"	Clarification
459	24-25	"That's one reason why we don't want to mention it, might not refer to publishers" should be "That's one reason why 'We don't want to mention it' might not refer to publishers"	Transcription Error
464	9	"ads" should be "Ads"	Transcription Error

I have inspected and read my deposition and have listed all changes and corrections above, along with my reasons therefor.

Date: 06/03/2024

Signature: Nitish Koul